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INFO RHMFISS/CDR USSOCOM MACDILL AFB FL//SCJ2//
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STATE FOR INR/R/MR, I/GWHA, WHA, WHA/PDA, WHA/BSC,
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SUBJECT: MEDIA REACTION; WALL STREET ON ARGENTINA; BOLIVIA; BARACK
OBAMA; 05/16/08

1. SUMMARY STATEMENT

Today's leading international stories are related to Wall Street forecasts for Argentina's growth rate; latest developments in Bolivia; and Barack Obama's rebuff to US President Bush.

2. OPINION PIECES AND EDITORIALS

- "Wall Street forecasts a sudden brake on Argentine economy"

Daily-of-record "La Nacion" front-pages an opinion piece by its Washington-based correspondent, Hugo Alconada Mon, who writes (05/16) "Wall Street investment analysts have said something the Kirchners would never have wanted to know - that the Argentine economic growth rate has begun to decelerate. Furthermore, some reports point out the risk of a 'forced landing' in 2009."

"According to two reports by the JP Morgan Bank research department, the country's growth rate is going down and next year it will only be 3% vis-à-vis 8.5% in 2007."

"Lehman Brothers forecasts a similar percentage (3.7%) and sustained that the country urgently calls for reliable policies."

"Morgan Stanley says inflation is the main factor of risk, although 'there is still time for a soft landing.' Other reports made by BNP Paribas and Eurasia consulting group are focused on the negative impact of the confrontation between the Government and the farm sector."

"Yesterday, the National Statistics Institute reported that the economic activity grew by 8.1% in March vis-à-vis March 2007 and 1.2% vis-à-vis last February. The figures were questioned by economists from the private sector who said that the growth rate was fairly lower."

- "Mistakes"

Hinde Pomeraniec, leading "Clarín's" international columnist, writes (05/16) "A series of wrong political steps seem to have been taken in Bolivia. One could notice that in the Morales administration but much more in the opposition, a diverse and erratic group basically united by its obsession to overthrow the president. Santa Cruz says it took one more step yesterday towards its autonomy, although, as a matter of fact, it is still a local ambition... Regardless of its ambitions, Santa Cruz will continue having formal and economic restrictions to obtain its autonomy as long as it is not recognized in the Constitution."

"Regarding mistakes, a serious mistake is the referendum to revoke the president, whose only purpose was overthrowing Evo Morales... No one seems to have noticed that Evo is best positioned to win and, thus, continue in power. Yesterday's step will only contribute to

dividing the opposition while leaving Santa Cruz isolated rather than autonomous."

- "Obama's tough reply to Bush's critical statements"

Ana Baron, leading "Clarín's" Washington-based correspondent, comments (05/16) "It was a good sign of things to come in the election campaign between Republican John McCain and Barack Obama, if he gets nominated as expected.

"During the celebration of the 60th anniversary of the creation of the State of Israel, President Bush, who was visiting the country, used his address to the Israeli Parliament to criticize those 'who propose to sit to negotiate with terrorists.' He mentioned no one, although in the past Obama said that if he wins the US presidency, his foreign policy will underscore the importance of diplomacy and he will not hesitate to hold talks with leaders like Iranian Mahmoud Ahmadinejad and Cuban Raul Castro...

"... Obama quickly answered: 'It is said that President Bush used his address to the Knesset to make an ungrounded critical statement. The time has come to turn over the page after eight years of policies that have strengthened Iran and have not improved US security or that of our ally Israel. Instead of using tough words and no action whatsoever, we should do what Kennedy, Nixon and Reagan did in the past and use all available elements of US power, including tough diplomacy in order to pressure countries like Iran and Syria. Bush knows that I have never proposed to sit to negotiate with terrorists.'

"... Aware of the image as a weak foreign policy leader that the Republicans are trying to create for him, Barack Obama is determined not to miss the occasion for a rebuff. Obviously, the best argument is to compare McCain to Bush, whose popularity ranking is below

30%"

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